

STATE OF DELAWARE

FISCAL YEAR 2020 CAPITAL OVERVIEW

April 1, 2019

GOVERNOR CARNEY'S FY 2020 FINANCIAL PLAN - HIGHLIGHTS

- Allocates significant resources toward high-needs schools
- Makes fundamental investments in our workforce, economic development, public safety and health care
- Adheres to appropriation benchmark consistent with Executive Order 21
- Allocates surplus revenues into one-time investments to continue an infrastructure package called Delaware Reinvest
- Funds long-term liabilities such as pensions and debt service
- Sets aside resources into a fund for long-term budget stability

LONG TERM FINANCIAL SUSTAINABILITY

- Based on Executive Order 21
- Helps avoid the negative impact of program cuts and tax increases due to revenue volatility and economic downturns
- Amount available for the operating budget is calculated based on an index relative to the overall economy to help reduce budget volatility
- Revenue above the index directed to:

ONE-TIME Investments AND Savings

GOVERNOR'S RECOMMENDED FY 2020 FINANCIAL PACKAGE

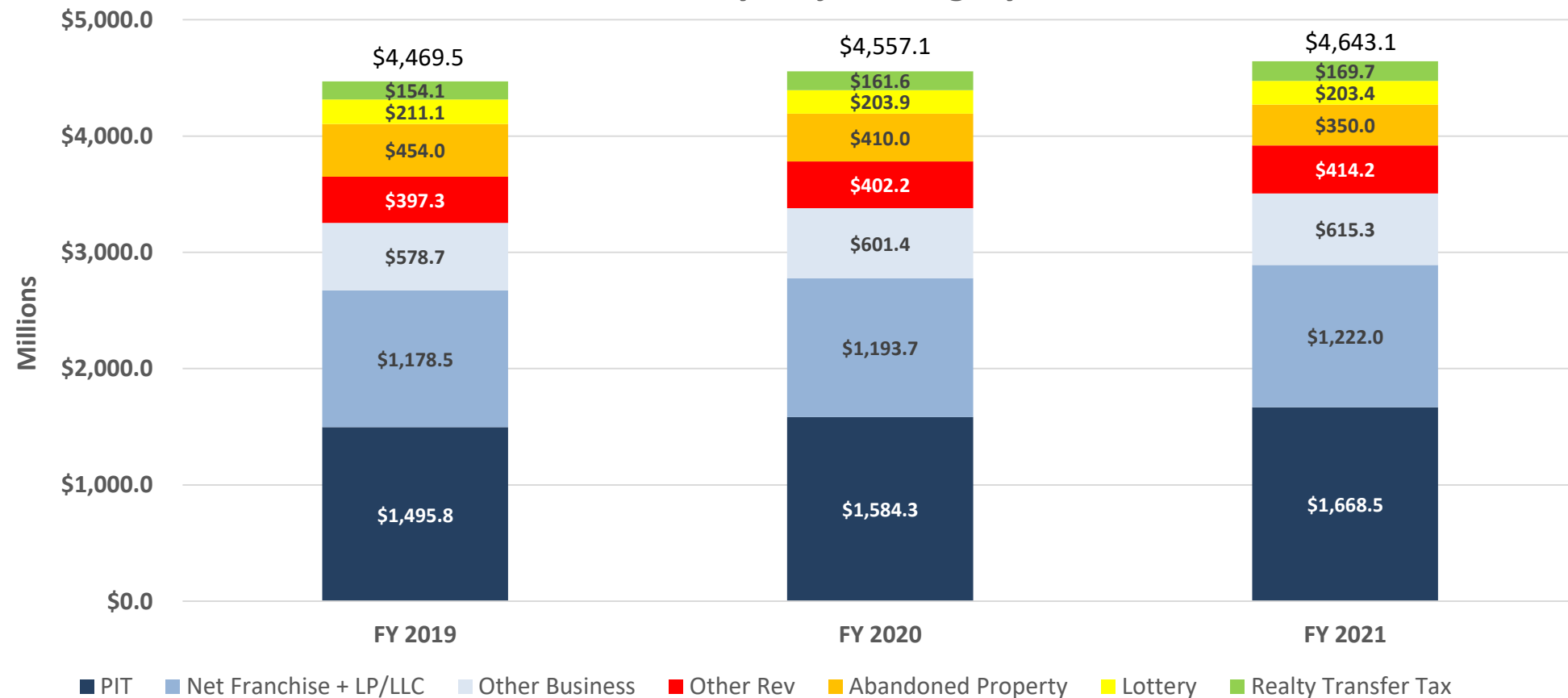
- **General Fund Operating Budget** **\$4,433.1 M**
 - GF Operating Budget Growth 3.8%
- **Grants-in-Aid** **\$48.4 M**
- **Bond and Capital Improvements Act** **\$678.6 M**
 - State Capital Projects \$345.7 M
 - GO Bonds \$227.9 M
 - Cash \$95.0 M
 - Other \$22.8 M
 - Transportation \$332.9 M
- **One-Time Supplemental** **\$39.1 M**

**Based off December 2018 DEFAC. March 2019 DEFAC increased resources by \$28.8M, where \$24.0M is in the current fiscal year.*

The FY 2020 Financial Plan sets aside **\$92.1 million** over and above the constitutionally mandated set asides.

GENERAL FUND REVENUE

Revenue by Major Category



**Based off December 2018 DEFAC.*

GENERAL FUND REVENUE GROWTH

Grows with Economy (~40%):

PIT, GRT, RTT

Grows with Population (~35%):

Franchise & Other Business, Lottery

Stagnant (~25%):

Unclaimed Property,
Excise Taxes,
Other

DELAWARE REINVEST

Bond Bill funding toward investments in Delaware's infrastructure,
economy and communities

Economic Development

\$12.5 million Strategic Fund	\$2 million Delaware Prosperity Partnership	\$8.6 million Research Collaboration	\$15 million Higher Education Economic Development Fund	\$10 million Transportation Infrastructure Investment Fund
---	---	---	--	--

DELAWARE REINVEST

Bond Bill funding toward investments in Delaware's infrastructure,
economy and communities

Environment

\$20 million Open Space and Farmland Preservation	\$10 million Clean Water/ Drinking Water	\$5 million Beach Preservation
---	---	---

DELAWARE REINVEST

Bond Bill funding toward investments in Delaware's infrastructure,
economy and communities

Strong Communities

**\$17.5
million**

Affordable Housing/
Strong Neighborhoods/
Downtown Development
Districts

**\$5
million**

Preserving Historic
Sites

**\$137.5
million**

School Construction
& Safety

**\$6.3
million**

Library Construction

DELAWARE REINVEST

Bond Bill funding toward investments in Delaware's infrastructure,
economy and communities

Modernizing Delaware's Transportation Infrastructure

\$3.2 Billion
Transportation
System
(federal, state, other)
through 2025

INVESTMENTS IN THE WORKPLACE

**FISCAL YEAR 2019 FUNDING
for WORKPLACE INVESTMENTS**



\$15.7 million

Emergency Remediation - \$726.5

HVAC Replacements

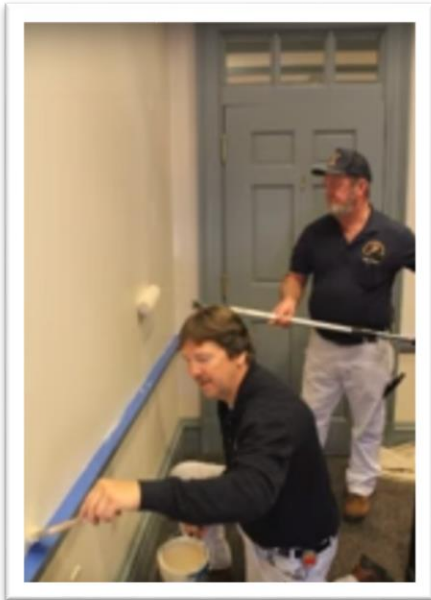
- ✓ DSP Troop 9
- ✓ Legislative Hall
- ✓ Kent County Fire School

Roof Replacements

- ✓ Kent County Fire School
- ✓ Townsend Building
- ✓ Minor Roof Repairs



INVESTMENTS IN THE WORKPLACE



Flooring

- ✓ New Castle County Courthouse
- ✓ Thomas Collins Building
- ✓ Legislative Hall
- ✓ Tatnall Building
- ✓ Edgehill Shopping Center (DHSS/DPH)
- ✓ DSP Troop 5
- ✓ Sussex Court of Chancery

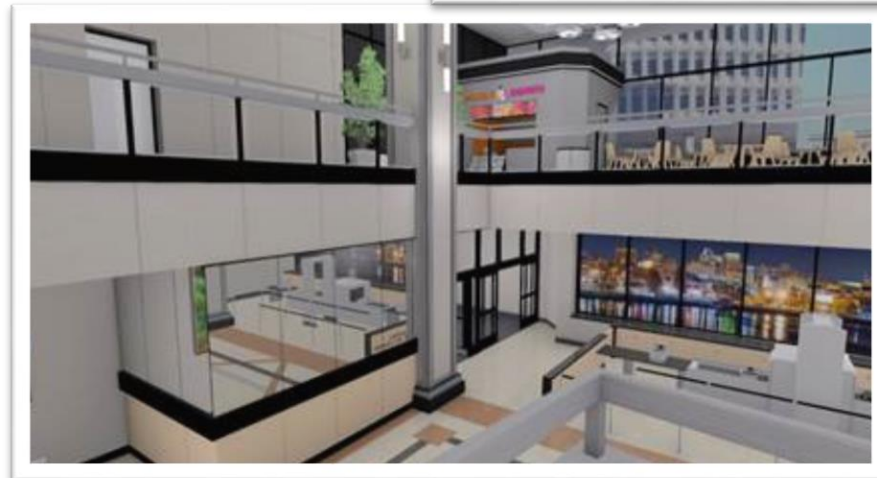
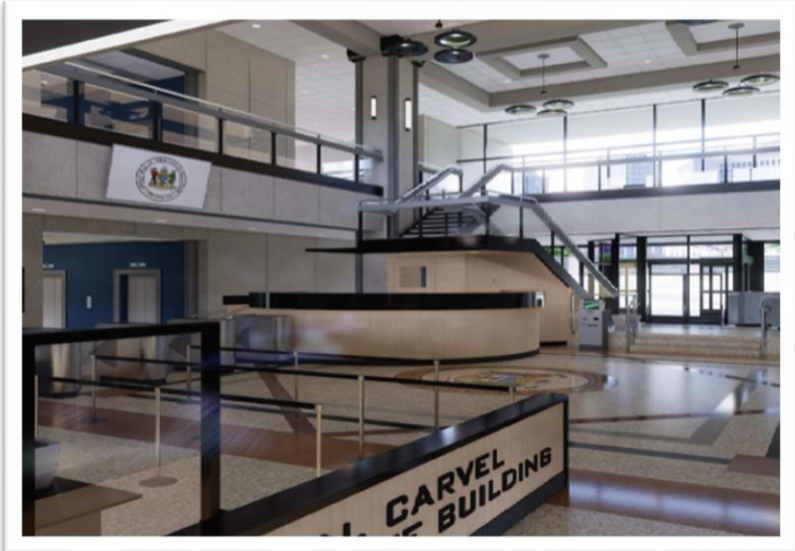
Painting

- ✓ New Castle County Courthouse
- ✓ Legislative Hall
- ✓ Jesse Cooper Building
- ✓ Kent County Courthouse
- ✓ Richard S. Cordrey Building (Agriculture)
- ✓ Sussex County DMV

INVESTMENTS IN THE WORKPLACE

Carvel State Office Building Improvements

- ✓ Lobby Renovation
- ✓ Restroom Refurbishment
- ✓ Elevator Cab and Lobby Refresh
- ✓ Roof Anchors
- ✓ Floor-by-Floor Redesign



FISCAL YEAR 2020 RECOMMENDED BUDGET



\$5,223.9

Minor Capital Improvement and Equipment

\$340.3

Environmental Compliance
(UST/Asbestos/Other)

\$150.0

Architectural Barrier Removal

\$2,557.0

Roof Replacement

\$5,000.0

Deferred Maintenance

FISCAL YEAR 2020 RECOMMENDED BUDGET



\$2,000.0

Carvel State Office Building Maintenance and Restoration

\$800.0

Carvel State Office Building Mechanical Upgrades

\$1,500.0

Jesse Cooper Building Renovations

\$850.0

Leonard L. Williams Justice Center Improvements

FY2020 GOVERNOR'S RECOMMENDED BUDGET TIMELINE

July –
December

- Governor Carney and cabinet members developed the FY 2020 budget draft.
- Delaware Economic and Financial Advisory Council (DEFAC) met in September and December to project revenue. DEFAC will update their projections in March, April, May and June.

January

- January 24: Governor Carney proposes recommended budget for FY 2020.

February –
March

- Joint Finance Committee (JFC) and Bond Bill Committee Hearings: Committee members consider Governor Carney's recommended operating budget and hold hearings to discuss budget items with agencies and advocates.

April -
May

- Mark-up: JFC reviews budget proposals.

June 30

- Bond Bill Committee traditionally meets after JFC completes its work and after June DEFAC.
- The General Assembly passes the budget and bond bills, and the Governor signs the bills by June 30.
- The new fiscal year begins July 1.